

Message Text

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62

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TO AMEMBASSY ANKARA

INFO USDOC WASHDC

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AMEMBASSY BEIRUT

AMCONSUL ISTANBUL

AMCONSUL IZMIR

C O N F I D E N T I A L ADANA 053

BEIRUT FOR RTDC

E.O. 11652: GDS

TAGS: BEXP, TU

SUBJ: U.S. FIRM LOSES AIR CONDITIONING CONTRACT FOR

CUKOBIRLIK YARN PLANT

REF: A) ADANA 176 OF 8/20/73, B) ADANA 237 OF 12/6/73,

C) ADANA 251 OF 12/26/73

SUMMARY. U.S. BUSINESSMAN FAILED WIN AWARD FOR AIR

CONDITIONING AND CLEANING EQUIPMENT FOR PLANNED CUKOBIRLIK

YARN PLANT NOTWITHSTANDING BID WHICH REPORTEDLY FIFTEEN

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PER CENT BELOW WINNER'S. END SUMMARY.

1. MARCH 13 MR MARSHALL FULP OF BAHNSON INTERNATIONAL OF WINSTON-SALEM NORTH CAROLINA AND MR VEDAT VALI OF GENEL ENDUSTRI VE TICARET OF ISTABUL DISCUSSED WITH CONOFFS AWARD BY CUKOBIRLIK (GOT-BACKED COTTON COOPERATIVE) OF CONTRACT FOR AIR CONDITIONING AND CLEANING EQUIPMENT FOR CUKOBIRLIK'S PLANNED 1000,000 SPINDLE YARN PLANT. FULP AND VALI HAD LEARNED MARCH 12 THAT CONTRACT WOULD BE GIVEN TO SWISS FIRM A.G. LUWA AND ITS TURKISH ASSOCIATE TEMSA, A SABANCI FAMILY ENTERPRISE.

2. ACCORDING TO FULP AND VALI, BAHNSON/GENEL ENDUSTRI HAD
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OFFERED LOWEST BID, 26,500,000TL, AMONG EIGHT BIDDERS WHEN

PROJECT WAS OPENED FOR TENDERS. HOWEVER, WHEN BIDDER REPRESENTATIVES HAD GATHERED IN ADANA AT CUKOBIRLIK'S INVITATION, REBIDDING WAS REQUIRED. EVEN IN REBIDDING, FULP AND VALI ASSERTED, BAHNISON/GENEL ENDUSTRI HAD MAINTAINED LOWEST BIDDER POSITION. NEVERTHELESS, CUKOBIRLIK HAS APPARENTLY AWARDED CONTRACT TO LUWA/TEMSA FOR BID OF 31,000,000TL, WHICH FULP AND VALI BELIEVE TO BE FOURTH LOWEST BID. CUKOBIRLIK HAS GIVEN NO EXPLANATION FOR AWARD AND IS UNLIKELY TO DO SO.

3. FULP AND VALI UNDERSTANDABLY DISTURBED BY OUTCOME, PARTICULARLY

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AFTER EXPENSES OF SOME \$12,000 FOR BAHNISON AND \$10,000 FOR GENEL ENDUSTRI, INCLUDING EXTRAORDINARY EXPENSES IN POSTING SURETY BONDS IN TURKEY. TO CONOFFS, VALI SPECULATED CONTRACT HAD GONE TO LUWA/TEMSA THROUGH SABANCI FAMILY PRESSURE ON CUKOBIRLIK OF POSSIBLE LOSS OF VARIOUS SABANCI FAMILY TEXTILE MILLS AS CUSTOMERS OF CUKOBIRLIK COTTON. ON OTHER HAND, FULP POINTED OUT THAT TEMSA HAD ADVANTAGE IN INFLUENCING CUKOBIRLIK THROUGH ITS MAINTAINING LOCAL REPRESENTATIVE. GENEL ENDUSTRI APPARENTLY HAD NO COMPARABLE LOCAL PRESENCE.

4. FULP PLANS TO TRAVEL TO ISTANBUL AND THEN TO ANKARA BEFORE DEPARTING TURKEY. HE STATED INTENSION OF DISCUSSING THESE EVENTS FURTHER WITH COMMERICAL ATTACHE ANKARA.

5. COMMENT: INITIAL FAILURE OF U.S. FIRMS TO WIN CONTRACT FOR THIS PROJECT'S SPINNING EQUIPMENT FOLLOWED BY THIS INCIDENT MAY SERVE TO DISCOURAGE U.S. FIRMS INTERESTED IN SELLING TO LOCAL TEXTILE INDUSTRY. IN ANY CASE, AWARD DOES SERVE TO UNDERLINE IMPORTANCE OF LOCAL REPRESENTATION IN ADANA.

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